

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

DECEMBER 14, 2004

CITY COMMISSION CHAMBERS @ 5:30 P.M.

### MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, December 14, 2004.

Mayor Warmington opened the meeting with a prayer from Pastor Sarah Johnson of the Word of Truth Outreach after which the Commission and public recited the Pledge of Allegiance to the Flag.

#### **ROLL CALL FOR THE REGULAR COMMISSION MEETING:**

Present: Mayor Stephen Warmington, Vice Mayor Bill Larson, Commissioner Stephen Gawron, Clara Shepherd, Lawrence Spataro, Chris Carter, and Kevin Davis, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

Absent: None

#### **2004-105 INTRODUCTIONS/PRESENTATION:**

A. Juvenile Justice Grant Update: MARTHA BOTTOMLEY

#### **2004-106 CONSENT AGENDA:**

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, November 23, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Resolution for Charitable Gaming License. CITY CLERK

SUMMARY OF REQUEST: The Muskegon Magic Youth Program Inc. is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a gaming license. They have been recognized as a 501 (c) (3) organization by the State. They would like to hold a raffle at Cuti's Sports Bar & Grill on February 18, 2005.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

**C. Extending Contract – Snowplowing Services at Muskegon Mall and Surrounding Areas, 2004/2005 Winter Season.** PUBLIC WORKS

SUMMARY OF REQUEST: Extend contract with TRI-US Services, Inc., Kent City, MI to provide snowplowing, de-icing, and snow removal at Muskegon Mall and surrounding areas through the 2004/2005 winter season.

FINANCIAL IMPACT: Need for service is weather-dependent. Cost of service for 2002/2003 winter season was \$13,784 and YTD 2003/2004 is estimated at \$7,500.

BUDGET ACTION REQUIRED: None, expenses will again be charged to the General Fund, account 101-70585.

STAFF RECOMMENDATION: Approval.

**D. Contract Agreement – Funeral Service Portion of Burials.** PUBLIC WORKS

SUMMARY OF REQUEST: Enter into contractual agreement with Wilbert Burial Vault Co., Muskegon, MI, to provide the funeral service portion(s) of burials at all four city-owned cemeteries for 2005. Agreement is subject to satisfactory negotiation with Local 517M Union.

FINANCIAL IMPACT: No financial impact to the City of Muskegon.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve request to contract out service.

COMMITTEE RECOMMENDATION: The Cemetery Board has approved our request to enter into contractual agreement with Wilbert Burial Vault Co.

**E. Sale of Sniper Rifle.** PUBLIC SAFETY

SUMMARY OF REQUEST: During the course of the past year we have been conducting an assessment of the weapons that are currently maintained by the police department. Our goal is to more fully utilize those weapons that are available to us and to liquidate those that are not. For several years the police department has had in its possession a Steyr Mannlicher SSG69 sniper rifle. The rifle has been maintained in good condition. As we have no plans to maintain and train a sniper team, we feel that our best course of action in regards to this particular weapon is to sell it. Money received during such a sale would then be utilized towards the purchase of weapons that we do need.

We have had a request from the Muskegon County Sheriffs Office to purchase this weapon. The weapon has been appraised by three local gun dealers. Our

firearms staff recommends that based upon the appraisals and the condition of the weapon that it should be offered to the sheriff's office for the sum of \$1,200.

FINANCIAL IMPACT: \$1,200 in revenue to the city's budget.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of this request.

**F. Pension Ordinance Change Due to Contract Settlement.** FINANCE

SUMMARY OF REQUEST: The recent arbitration/contract settlement of the patrol officers' labor contract calls for 1) reduction in normal retirement age from 53 to 51, 2) increase in multiplier from 2.6% to 2.75% effective 1/1/07, 3) change in the interest rate used to compute lump-sum annuity withdrawals. This amendment brings the pension ordinance into alignment with the new contract.

FINANCIAL IMPACT: Higher pension costs for the City. These costs will be offset by savings in other areas of the contract.

BUDGET ACTION REQUIRED: None. The change will be reflected in future actuarial valuations, which set the City's annual pension contribution level.

STAFF RECOMMENDATION: Approval.

**G. Brownfield Consulting Contract – Anne Couture.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The City of Muskegon has been contracting with Anne Couture, of Couture Environmental Strategies LLC, during the last seven years, to assist us with our Brownfield activities. She has excellent contacts at the Department of Environmental Quality, since she worked there several years ago. Therefore, her assistance is important in moving forward on the technical aspects of our Brownfield Authority, as well as grant application assistance (she was instrumental in assisting us in obtaining the \$1 Million grant/loan from the MDEQ this year). Not only does Ms. Couture work closely with our City Staff, but we also refer potential Brownfield applicants to her. Since we instituted a Brownfield Redevelopment Authority application fee, in the amount of \$2,500, the City has received funds, which help defray the costs of the contract. Funds for Ms. Couture's current contract have been expended (particularly due to the work necessary in establishing a Brownfield TIFA for the former mall site, which may be reimbursed to the City over time). Therefore, the Commission is asked to approve the current proposal from Ms. Couture.

FINANCIAL IMPACT: Costs to the City will not exceed \$15,000. It is expected that this amount will allow for at least one year of service.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the proposal between the City of Muskegon and Couture Environmental Strategies LLC, and authorize the Mayor

and Clerk to sign the proposal.

**H. Transportation Improvement Program Submittal for: 2007 – 2008 and Long Range Plan Projects. ENGINEERING**

SUMMARY OF REQUEST: Authorization to submit the lists of projects to the West Michigan Shoreline Regional Development Commission for inclusion in the FY 2007 – 2008 Transportation Improvement Program and the long Range Plan (20-years). Projects submitted will be considered for Federal and State transportation funding. Adoption of the resolution is required as part of the submittal to commit the local match if project funding is granted.

FINANCIAL IMPACT: None at this time, however, a local match will be required should we receive a grant for a particular project.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the project submittal and resolution.

**I. Approval of Conveyance Application to the State of Michigan. COMMUNITY & NEIGHBORHOOD SERVICES**

SUMMARY OF REQUEST: To approve Community and Neighborhood Services to obtain 280 Iona from the State of Michigan, which is currently a vacant abandoned home. The structure is located next door to 284 Iona, a recently completed infill home under the "Operation: At Long Last" project.

The department's objective is to obtain 280 Iona for the minimum price of \$300.00, rehabilitate it and sell the property to a qualified family. The obtaining of this property and the total rehabilitation is one additional piece to the City's continuous neighborhood revitalization efforts.

FINANCIAL IMPACT: CNS office will supply \$300 from the HOME program income fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request and have the Mayor sign the application to the State of Michigan.

**Motion by Commissioner Spataro, second by Commissioner Carter to approve the consent agenda.**

**ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis, and Gawron**

**Nays: None**

***MOTION PASSES***

**2004-107 NEW BUSINESS:**

**A. 2005 User Fee Update. FINANCE**

SUMMARY OF REQUEST: City departments have reviewed and updated their user fees and these have been incorporated into the Master Fee Resolution for your consideration. New fees and fee changes proposed for 2005 include the following:

- Increases to various cemetery service fees;
- New fees for cemetery chapel services and genealogy searches;
- Increase to environmental administration fee to cover increased collection costs;
- Changes to cat license fees to make them consistent with County dog license fees;
- Increases to most marina fee categories;
- Increase in daily launch ramp fees from \$5 to \$10; seasonal launch ramp fees remain unchanged as we are trying to encourage people to purchase the seasonal permits. Daily permits are very costly to administer and enforce.
- Increases to specialized fire services (e.g. down power lines);
- Increases to forestry service fees;
- New fee for hanging banners;
- Various recreation fee adjustments.

FINANCIAL IMPACT: Increased revenue for fee supported activities.

BUDGET ACTION REQUIRED: None at this time. Adoption of the 2005 Master Fee Resolution will help the city attain its 2005 budgeted revenue estimates.

STAFF RECOMMENDATION: Approval.

**Motion by Vice Mayor Larson, second by Commissioner Gawron to approve the 2005 user fees.**

**ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, Gawron, and Larson**

**Nays: None**

### ***MOTION PASSES***

#### **B. Approval for Consultants – Brownfield Site Assessment Grant/Loan.**

##### **PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: There were eight proposals received from environmental consultants for the Brownfield Site Assessment Grant/Loan. It is necessary to choose one or more consultants; approved both by the City Commission and the State (MDEQ), that will conduct the environmental investigations. Anne Couture, Mohammed Al-Shatel and Cathy Brubaker-Clarke reviewed the applications and are recommending three consultants, based on

the criteria contained in the table. The consultants are: Horizon Environmental (Grand Rapids), Prein & Newhof, P.S. (Muskegon/Grand Rapids), ERM, Inc. (Holland).

FINANCIAL IMPACT: The consultants site assessment work will be paid for from the MDEQ Site Assessment Grant/Loan.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve Horizon Environmental, Prein & Newhoff, P.S. and ERM, Inc. as consultants for the site assessment work associated with the Brownfield Site Assessment Grant/Loan. Contracts with the individual consultants will be brought to the City Commission for approval in January. Individual sites will be assigned in a round-robin fashion.

**Motion by Vice Mayor Larson, second by Commissioner Shepherd to approve Horizon Environmental, Prein & Newhoff, P.S., ERM, Inc., and Westshore Consulting as consultants for the site assessment work.**

**ROLL VOTE: Ayes: Warmington, Carter, Davis, Larson, and Shepherd**

**Nays: Gawron and Spataro**

***MOTION PASSES***

**C. 2005 Salary Schedule and Fringe Benefits for Non-Represented Employees and the 2005 Salary Schedule for Part-Time and Limited-Term Employees. CITY MANAGER**

**SUMMARY OF REQUEST:**

- 1) To establish the 2005 salary ranges for part-time and limited-term employees;
- 2) To approve and adopt the proposed salary ranges and salary schedules for the non-represented administrative, technical, professional, and supervisory employees for 2005 (2.0% increase).
- 3) Increase the employee health insurance premium co-pay from \$9.23 per pay to \$20.00 per pay.
- 4) Increase the lifetime health insurance maximum from \$225,000 to \$300,000.
- 5) Allow up to 5 bereavement days (currently three) for immediate family members (parent, spouse or children) upon written approval of the City Manager.

**FINANCIAL IMPACT:**

- 1) None. The ranges are unchanged.
- 2) The salary increases will cost approximately \$51,327 plus approximately \$12,831 in added fringe benefit costs.
- 3) This will save the City approximately \$13,720 annually.

- 4) Exact cost is not available, but it is not substantial.
- 5) Cost will vary depending on use.

BUDGET ACTION REQUIRED: To authorize the necessary 2005 budgetary amendments and transfer of money from the affected City funds (Contingency Account for General Fund) to the appropriate salary and fringe benefit accounts to accommodate the salary increases and fringe benefit adjustments.

STAFF RECOMMENDATION:

- 1) To approve the proposed 2005 salary ranges for part-time and limited-term employees.
- 2) To approve and adopt the proposed 2005 salary ranges, salary schedules, and fringe benefit changes for non-represented employees.

**Motion by Commissioner Spataro, second by Vice Mayor Larson to approve the 2005 salary schedule and fringe benefits for non-represented employees and the 2005 salary schedule for part-time and limited-term employees.**

**ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro, and Warmington**

**Nays: None**

***MOTION PASSES***

**D. Amendment to L.C. Walker Arena Management Agreement.** CITY  
MANAGER

SUMMARY OF REQUEST: To approve an amendment to the L.C. Walker Arena management contract with Arena Management Group, L.L.C. This is necessary to accommodate the additional expenses for set-up and security incurred due to the Michigan Mayhem use of the arena.

FINANCIAL IMPACT: Increased costs for the AMG contract. These costs are expected to be covered by the additional arena revenue generated by the Mayhem.

BUDGET ACTION REQUIRED: None. The increases were anticipated in the 2004 budget reforecast and in the 2005 arena budget.

STAFF RECOMMENDATION: To approve the contract amendment.

**Motion by Commissioner Gawron, second by Commissioner Spataro to approve the amendment to the L.C. Walker Arena Management Agreement.**

**ROLL VOTE: Ayes: Davis, Gawron, Larson, Shepherd, Spataro, Warmington, and Carter**

**Nays: None**

***MOTION PASSES***

**E. Write-off of Uncollectible Accounts Receivable. TREASURER**

SUMMARY OF REQUEST: Periodically it is necessary to purge from the City's general accounts receivable records items that are deemed uncollectible. In most cases these items have gone through the entire collection process without success. In some other cases, further collections efforts, such as using the outside collection agency, have resulted in limited success. However, at this time, it is requested that the City Commission authorize staff to write-off these receivables from the City's books.

FINANCIAL IMPACT: Reduce the City's accounts receivable by \$36,077.03. The impact would be a decrease in the fund balance/retained earnings of several City funds as follows:

101	General Fund	\$14,770.12
472	CDBG Fund	11,641.25
590 & 591	Sewer Fund & Water Fund	<u>9,665.66</u>
	TOTAL:	<u>\$36,077.03</u>

BUDGET ACTION REQUIRED: For the General, Sewer and Water Funds, there are sufficient funds for bad debt expense included in the 2004 budget, so no further action is required.

STAFF RECOMMENDATION: Approval of the 2004 write-offs effective for the fiscal year ending December 31, 2004, for the various funds.

**Motion by Commissioner Shepherd, second by Vice Mayor Larson to approve the write-off of uncollectible accounts receivable.**

**ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, Carter, and Davis**

**Nays: None**

***MOTION PASSES***

**F. Amend Policy for Adjusting Uncollectible Accounts and Set Up Allowance for Doubtful Accounts. TREASURER**

SUMMARY OF REQUEST: To write-off \$266,357 of A/R balances from the period 1998 through 2000, and increase the reserve for doubtful accounts from the current level of \$240,000 to \$254,951.

This is also a request to amend the "Policy for Adjusting Uncollectible Accounts" to be made consistent with the policy used for delinquent personal property taxes. This involves 100% write-off of A/R balances more than 5 years old and 50% write-off of balances less than 5 years.

FINANCIAL IMPACT: To record \$266,357 as bad debt expense in the general fund for open balances from 1998, 1999 and 2000 years. Additionally, to record



\$254,951 as an allowance for uncollectible accounts in the general fund for 50% of open balances from 2001, 2002, 2003 and 2004 years. \$240,000 was previously set up as a reserve and \$300,000 was budgeted as a contingency in the fiscal year 2004 budget.

BUDGET ACTION REQUIRED: None at this time. The contingency account is adequate to handle these adjustments.

STAFF RECOMMENDATION: To approve the requested changes.

**Motion by Commissioner Spataro, second by Commissioner Carter to amend the policy and set up an allowance for doubtful accounts.**

**ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis, and Gawron**

**Nays: None**

***MOTION PASSES***

**G. Shoreline Drive Phase II (First to Webster). ENGINEERING**

SUMMARY OF REQUEST: Consideration of the bids received to reconstruct, resurface and for signal & bridge work for the second and final phase of Shoreline Drive. Jackson Merkey out of Muskegon is the lowest responsible bidder with a bid price of \$1,788,462.74.

FINANCIAL IMPACT: The construction cost of \$1,788,462.74 plus engineering cost which is estimated at an additional 15%.

BUDGET ACTION REQUIRED: None, all costs are expected to be eligible for the MDOT's grant the City had received two years ago.

STAFF RECOMMENDATION: Staff recommendation will be presented at the work session to allow for time to evaluate the bids in more detail.

**Motion by Vice Mayor Larson, second by Commissioner Davis to award the contract to Jackson Merkey.**

**ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, Gawron, and Larson**

**Nays: None**

***MOTION PASSES***

**H. Engineering Services for Former Mall Site. ENGINEERING**

SUMMARY OF REQUEST: To enter into an engineering service agreement after review of staff recommendation presented at the Commission Worksession December 13, 2004. Due to time limitation to commit the Enterprise Community Funds which requires an executed agreement by the 20<sup>th</sup> of December, proposals for full engineering service (Design & Construction) were solicited two weeks ago and were due back on Wednesday, the 8<sup>th</sup> of December.

FINANCIAL IMPACT: The cost for the engineering services would be from the Enterprise Community Funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve.

**Motion by Commissioner Carter, second by Commissioner Davis to award the contract to Fleis & Vandenbrink .**

**ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson, and Shepherd**

**Nays: None**

***MOTION PASSES***

**I. Approval of Sale of City Owned Home at 1668 Beidler. COMMUNITY & NEIGHBORHOOD SERVICES**

SUMMARY OF REQUEST: To approve the resolution and instruct Community and Neighborhood Services department to complete the sale transaction between Mr. Anthony McCloud for the new Infill home at 1668 Beidler. Mr. McCloud's purchase price is \$120,000 with a subsidy of \$30,000 dollars.

The present site at 1668 Beidler was occupied with one of the homes that were demolished a year and a half ago under the project title "Operation: At Long Last," 1668 Beidler is the second home of the former Turnkey-3 properties to be sold by the CNS office.

FINANCIAL IMPACT: The HOME fund will receive \$90,000 in program income from the sale.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution.

COMMITTEE RECOMMENDATION: The Commission approved the original construction of the home.

**Motion by Commissioner Gawron, second by Commissioner Shepherd to approve the sale of the City-owned home to Anthony McCloud**

**ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Larson, Shepherd, and Spataro**

**Nays: None**

***MOTION PASSES***

**J. Concurrence with the Housing Board of Appeals Notice & Order to Demolish the Following: PUBLIC SAFETY**

SUMMARY OF REQUEST: This is to request City Commission concurrence with the findings of the Housing Board of Appeals that these structures are unsafe,

substandard public nuisances and that they be demolished within thirty (30) days.

It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

### **1. 756 Washington (Area 12)**

CASE # & PROJECT ADDRESS: #EN-040058 – 756 Washington

LOCATION AND OWNERSHIP: This structure is located on Washington between Beidler and Henry Street. It is owned by HUD.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted 5/18/04 and notice and order to repair/remove was issued 5/20/04. On 7/02/04 the HBA declared the property substandard and dangerous building.

FINANCIAL IMPACT: The cost of demolition will be paid out of the General Fund.

BUDGET ACTION REQUIRED: None.

SEV: \$21,200.

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

ESTIMATED COST OF REPAIRS: \$20,000 exterior only.

**Motion by Commissioner Spataro, second by Commissioner Gawron to concur with the Housing Board of Appeals decision to demolish 756 Washington.**

**ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro, and Warmington**

**Nays: None**

***MOTION PASSES***

### **2. 1463 Sixth**

CASE # & PROJECT ADDRESS: #EN-040051 – 1463 Sixth.

LOCATION AND OWNERSHIP: This structure is located on Sixth between Washington and W. Grand Avenue. The property was owned by Joe Hawkey, who is incarcerated. As of 11/10/04 the property was acquired by Joe Ferrier.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted 4/12/04 and an interior inspection was conducted 5/7/04. The notice and order to repair/remove was issued 5/7/04. On 7/1/04 the HBA declared the property substandard and dangerous building.

OWNER CONTACT: The owner's mother scheduled the interior inspection, but there has been no further contact from her. As of 11/10/04 Ron Ferrier sent the

Inspection Department a Warranty Deed showing ownership.

FINANCIAL IMPACT: CDGB Funds

BUDGET ACTION REQUIRED: None

SEV: \$15,200

ESTIMATED COST TO REPAIR: \$20,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

**Motion by Commissioner Spataro, second by Commissioner Shepherd to concur with the Housing Board of Appeals decision to demolish 1463 Sixth.**

**ROLL VOTE: Ayes: Gawron, Shepherd, and Spataro**

**Nays: Davis, Larson, Warmington, and Carter**

***MOTION FAILS***

**3. 557 W. Clay**

CASE # & PROJECT ADDRESS: #01-048 – 557 W. Clay Avenue

LOCATION AND OWNERSHIP: This property is located in the Nelson Neighborhood and is owned by Scott Sieradzki.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted 10/23/01. A notice to repair or demolish was issued 10/30/01. On 12/4/01 the trade inspectors and the Directors of Inspections met the owner on site to discuss his repair plan and timeline. The case was brought before the HBA 12/6/01 and the owner was offered a repair schedule which was compiled by the Director of Inspections. Mr. Sieradzki did agree the schedule was fair, but he did not agree to sign it. The owner was given the opportunity to repair, provided certain conditions were met within 30 days. The owner did not comply. The structure was declared substandard, a public nuisance when the case was brought before the HBA again on 6/6/02. In August 2002 the foundation was repaired. The case was brought before the HDC on September 7, 2004 which concurred with the findings of the HBA.

OWNER CONTACT: Mr. Sieradzki was present at the 12/6/01 HBA meeting, but was not able to attend the one on 6/6/02. He did call the office on that date to state his intentions, which are noted in the file. Mr. Sieradzki was present at the HDC meeting of 9/07/04. There has been no contact since that meeting.

FINANCIAL IMPACT: The cost of demolition will be paid out of the General fund.

BUDGET ACTION REQUIRED: None

SEV: \$29,100

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals

decision to demolish

ESTIMATED COST OF REPAIRS: \$80,000+

**Motion by Commissioner Spataro, second by Vice Mayor Larson to concur with the Housing Board of Appeals decision to demolish 557 W. Clay.**

**ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, and Carter**

**Nays: Davis**

***MOTION PASSES***

The City Commission Meeting adjourned at 7:20 p.m.

Respectfully submitted,

Gail A. Kunding, MMC  
City Clerk